

RESOLUTION

APPROVING THE 2016 AUDIT CORRECTIVE PLAN FOR THE TOWNSHIP OF WEST ORANGE

WHEREAS, In accordance with the Single Audit Act, U.S. Office of Management and Budget Circular A-128 and the New Jersey office of Management and Budget Circular Letter 93-05, and regulations of the Division of Local Government Services, all municipalities are required to prepare and file a Corrective Action Plan, and

WHEREAS, this plan must be filed with the Division within 60 days from the date the statutory audit is received by the governing body, and

WHEREAS, such a plan was prepared by the Chief Financial Officer and reviewed by the members of the governing body of the Township of West Orange,

NOW THEREFORE BE IT RESOLVED, that the Township of West Orange 2016 Corrective Action Plan, attached hereto, be approved by the governing body of the Township of West Orange and filed with the Division of Local Government Services.

Karen J. Carnevale, R.M.C
Municipal Clerk

Joe Krakoviak
Council President

Adopted: June 27, 2017

2016 Audit Corrective Action Plan

Untimely Payment of Judgments

FINDING: Our audit procedures noted instances where judgments were not paid to the taxpayer within sixty days as required by state statute.

RECOMMENDATION: It is recommended that Township's management continue to monitor the timeliness of payment of judgments to ensure compliance with state statute.

EXPLANATION: The timing of Tax Appeal judgement notification and Township meeting are sometimes a challenge to coordinate.

CORRECTIVE ACTION PLAN: The Tax Collector will work with the CFO to incur all payments for Tax Appeals are made in accordance with statutes.

Municipal Court

FINDING: During our audit procedures over the municipal court, we identified the following:

- Multiple instances where the amounts collected for the municipal portion was not paid in full to the Finance Office without proper documentation explaining why the full amount was not remitted.
- Multiple instances where bail and general amounts were deposited to an improper account based on the nature of the activity.
- Two hundred and twenty seven tickets were assigned but not issued over 180 days as of December 31, 2016.
- Seventy three tickets were issued and not assigned as of December 31, 2016.
- Multiple instances where the Court was unable to provide support for time payments recorded.
- Multiple instances where the Court was unable to provide support for reconciling items on the correlating bank reconciliation.

RECOMMENDATION: It is recommended that the Court continue to monitor activity of the aforementioned nature to ensure that activity is properly maintained.

EXPLANATION: Turnover of two Court Administrators and one Deputy Court Administrator has reduced the efficiency and effectiveness our Court has historically enjoyed.

CORRECTIVE ACTION PLAN: A new Court Administrator and Deputy Court Administrator has been put in place whose primary responsibilities, in addition to other expected duties is to address these deficiencies in a timely manner.

Purchasing

FINDING: During our internal control testing over cash disbursements, we identified several instances in which the Township did not properly encumber funds prior to placing an order with a vendor for the procurement of goods or services. This was mainly the result of departments not following Township procedures in the ordering of goods and services.

RECOMMENDATION: It is recommended that the Township properly encumber funds prior to procuring goods and/or services.

EXPLANATION: A number of departments have violated the Township's Purchasing Manual procedures, making purchases prior to obtaining a purchase order.

CORRECTIVE ACTION PLAN: The Township will institute additional internal controls to monitor such activity and provide training to employees to prevent such violations in the future.